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TAGS: [PHUM](#) [PREF](#) [SMIG](#) [ES](#)
SUBJECT: EL SALVADOR: COUNTRY CONDITIONS AS THEY RELATE TO
TEMPORARY PROTECTED STATUS (TPS)

REF: STATE 101826

Classified By: Charge d'Affaires, for reasons 1.4 (b), (c), and (d).

[¶1.](#) (C) Summary: Current infrastructure, economic, and political conditions in El Salvador would not allow the country to absorb, in an orderly manner, the return of the 258,000 Salvadoran beneficiaries of Temporary Protected Status (TPS) living in the United States. El Salvador has not finished reconstructing infrastructure damaged by the two severe earthquakes which struck the country in 2001, and a series of earthquakes that struck western El Salvador in 2006 displaced an additional 2,000 families. The transportation, housing, education, and health sectors continue to suffer, and the lingering effects of these disasters seriously limit El Salvador's ability to absorb a large number of potential returnees. El Salvador has also seen a surge in the number of dengue cases and has been hit by the H1N1 virus, which has placed a strain on the public health system. Recessionary economic conditions, as well as the potential for generating adverse political and diplomatic consequences, argue in favor of extending TPS benefits to El Salvador. End summary.

[¶2.](#) (SBU) El Salvador's ability to absorb 258,000 potential returnees is complicated by the fact that recovery from the devastating earthquakes of 2001 is not yet complete. Of the 276,000 homes destroyed, only about half have been rebuilt with the assistance of programs sponsored by USAID, other international donors, and the Salvadoran government (GOES). While the USAID programs were completed in 2006, other donor efforts have lagged. While most of the reconstruction work on the seven main hospitals will not be completed until 2010, there is still no estimate on when ongoing reconstruction of the maternity hospital will be completed. Other related public works projects remain incomplete as well. Infrastructure recovery was further set back by the October 2005 landfall of Tropical Storm Stan, which brought widespread flooding, loss of homes, and destruction of crops and infrastructure across El Salvador. An eruption of the Santa Ana volcano in the same month also caused localized destruction of communities and crops in the surrounding areas. A series of earthquakes that hit western El Salvador in late 2006 resulted in the displacement of an additional 2,000 families whose homes were destroyed.

[¶3.](#) (SBU) As of the end of September, the GOES had reported 763 confirmed cases of H1N1, and 3633 cases of dengue. Assuming the current health situation continues into 2010, an influx of TPS returnees would further strain already overburdened health and education sectors in El Salvador's rural communities. Although the Millennium Challenge Corporation (MCC) will build new primary and secondary roads in the impoverished northern corridor of El Salvador, these roads will not be completed for another two years or more.

[¶4.](#) (SBU) El Salvador's economy entered recession in late

2008 and, according to official projections, will contract by 2.5 percent in 2009, and zero growth is projected for 2010. Remittances, which represent about 18 percent of the economy, are projected to fall by 10 percent for 2009. While global prices have fallen from their 2008 peaks, as a net importer El Salvador remains vulnerable to oil and food price shocks. The cost of the rural basic basket of food remains above the rural minimum wage. The Salvadoran economy depends heavily on the U.S. economy and is unlikely to recover until 6 to 12 months after the U.S. does.

15. (SBU) The U.S. is helping to accelerate growth through implementation of CAFTA-DR, USAID programs (trade, labor, and environmental capacity-building), and a USD 461 million MCC compact agreement. The success of these efforts, however, is compromised by general economic conditions. In light of the continued deterioration in Salvadoran economic prospects, the country is ill-prepared to receive an influx of returning migrants should TPS not be extended.

16. (SBU) Compounding the economic situation, El Salvador continues to suffer through a public security crisis that threatens to undermine sustained development and confidence in democratic governance. The country faces increasing levels of violent crime, much of it generated by transnational street gangs that engage in extortion, car theft, sale of counterfeit and stolen goods, and street-level drug distribution. El Salvador's murder rate- the highest in the western hemisphere - discourages foreign investment and curtails economic growth. Salvadoran press reported that as of September 28, the number of murders in 2009 (3,182) had already exceeded the 2008 total (3,179). This represents an annualized total of 4,286 killings if the current rate holds,

or almost 12 per day in 2009 compared to a rate of nearly 9 per day in 2008.

17. (SBU) The cost of crime to the Salvadoran economy is estimated at about 14 percent of GDP. Perhaps more importantly, spiraling crime rates cause citizens to lose faith in the ability of the police, the judiciary, and traditional political parties to deliver on promises of improved public security. El Salvador's National Civilian Police (PNC), although well-intentioned, are undermanned, under-financed, and hard-pressed to deal with the massive scale of criminal violence besetting Salvadoran society. The Salvadoran judiciary, the national prison system, and the social service agencies tasked with counseling at-risk youth and rehabilitating adult offenders are similarly overwhelmed by their respective caseloads. Adding upwards of 250,000 likely unemployed returnees to an already volatile public security situation in a country facing sustained economic difficulties would cause hardships and strains to the system.

18. (S/NF) Embassy considers that there are foreign policy and political consequences that would flow from a cancellation of TPS for Salvadoran nationals. President Funes, a pro-U.S. moderate, has said that extension of TPS is a top priority in his relationship with the USG. He told Secretary Clinton on June 1 that the best option would be to include TPS beneficiaries in a larger immigration reform option. Funes has risked his governing coalition with the leftist FMLN over relations with the U.S. Cancelling TPS would pull the rug out from under Funes.

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